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LISTING STATEMENT NO. 2588

LISTED DECEMBER 13, 1972.
1,500,000 Common Shares without nominal or par value.
Stock Symbol MOF
Post Section 1.2

THE TORONTO STOCK EXCHANGE

LISTING STATEMENT

MOFFAT COMMUNICATIONS LIMITED

CUSIP 607870 10 2

(Incorporated under the laws of British Columbia by Certificate of Incorporation dated June 16, 1954)

CAPITALIZATION AS AT DECEMBER 4, 1972

SHARE CAPITAL	Authorized	Issued and Outstanding	To be Listed
Common Shares without nominal or par value.....	2,500,000	1,500,000	1,500,000
FUNDED DEBT			
*Term bank loan.....	\$2,500,000	\$1,875,000	Nil
6¾% notes	2,340,562	2,340,562	Nil
Note due May 31, 1977 (Non-interest bearing)	107,601	107,601	Nil

*The term bank loan is secured by the Company's Series D debentures issued under a Deed of Trust and Mortgage dated November 1, 1965. Interest is at the prime bank rate plus 1% for an effective rate of 7% at August 31, 1972.

1. APPLICATION

MOFFAT COMMUNICATIONS LIMITED (hereinafter referred to as the "Company") hereby makes application for listing on The Toronto Stock Exchange of 1,500,000 common shares without nominal or par value in the capital stock of the Company (hereinafter sometimes referred to as the "common shares") all of which are issued and outstanding as fully paid and non-assessable.

2. REFERENCE TO PROSPECTUS

Reference is hereby made to the prospectus issued by the Company and dated October 18, 1972, (hereinafter referred to as the "Prospectus") with respect to the sale to the public throughout Canada (except in the Provinces of Prince Edward Island and Newfoundland) of 360,000 common shares. A copy of the Prospectus attached hereto is hereby incorporated in this application and made part thereof.

3. HISTORY

Please refer to page 4 of the Prospectus.

4. NATURE OF BUSINESS

Please refer to page 4 of the Prospectus.

5. INCORPORATION

Please refer to page 4 of the Prospectus.

6. SHARES ISSUED DURING PAST TEN YEARS

<u>Date of Issue</u>	<u>Number of Shares Issued</u>	<u>Amount Realized Per Share</u>	<u>Total Amount Realized</u>	<u>Purpose of Issue</u>
October, 1965	37,500	\$7.09	\$265,843.24	To settle indebtedness in the amount of \$265,843.24

7. STOCK PROVISIONS AND VOTING POWERS

Please refer to page 15 of the Prospectus.

8. DIVIDEND RECORD

The Board of Directors of the Company passed a resolution stating that, subject to the financial condition and business prospects of the Company, it is the intention of the Board of Directors to declare and pay quarterly dividends on the Common Shares at an annual rate representing not less than 20% of the net income after taxes for the fiscal year of the Company ended immediately prior to such quarterly payments. In keeping with this intention, the Company on August 31, 1972, paid a 15% special tax on undistributed income of \$29,571 and paid a tax-free dividend of \$25,135. The Board of Directors of the Company have declared a quarterly dividend for the quarter ended November 30, 1972, of 3 cents per outstanding Common Share payable on November 30, 1972, to shareholders of record on November 1, 1972. Purchasers of Common Shares offered by the prospectus will not be entitled to receive the dividend payable on November 30, 1972.

9. RECORD OF PROPERTIES

Please refer to pages 6 and 9 of the Prospectus.

10. SUBSIDIARY COMPANIES

<u>Name of Company</u>	<u>Incorporated</u>	<u>Class</u>	<u>Par Value</u>	<u>Authorized</u>	<u>Issued</u>	<u>% Owned by Company</u>	<u>Nature of Business</u>
Winnipeg Videon Limited	Manitoba, December 28, 1962	1st preferred 2nd preferred common	\$ 1.00 \$100.00 \$ 1.00	20,000 49,600 20,000	20,000 nil 20,000	85.31%	Cable Television
MBL Cable Television Ltd.	Saskatchewan, December 13, 1961	preferred common	\$ 10.00 no par	100,000 20,000	nil 1,000	100% 100%	Cable Television

11. FUNDED DEBT

<u>Description of Issue</u>	<u>Aggregate Amount Authorized</u>	<u>Principal Amount Outstanding</u>	<u>Maturity Date</u>	<u>Interest Dates</u>
*Term bank loan	\$2,500,000	\$1,875,000	June, 1976	Monthly
6¾% notes	2,340,562	2,340,562	May 31, 1977	May 31, 1973; 74; 75; 76; and 77
Non-interest bearing note	107,601	107,601	May 31, 1977	—

*The term bank loan is secured by the Company's Series D debentures issued under a Deed of Trust and Mortgage dated November 1, 1965. Interest is at the prime bank rate plus 1% for an effective rate of 7% at August 31, 1972.

12. OPTIONS AND UNDERWRITINGS

There are no options or underwriting agreements outstanding.

13. LISTING ON OTHER STOCK EXCHANGES

The Company is currently preparing applications for the listing of its common shares for trading on the Montreal Stock Exchange and The Vancouver Stock Exchanges. There are no securities of the Company listed on any other stock exchanges.

14. STATUS UNDER SECURITIES ACTS

Particulars of any filing, registration, approval or qualification with or by the Ontario Securities Commission or any corresponding governmental body or authority are as follows:

The Ontario Securities Commission issued its official unnumbered receipt dated October 18, 1972, acknowledging receipt of the material required under The Securities Act (Ontario) in reference to the offering of 360,000 common shares in the capital stock of the Company.

Particulars of corresponding governmental authorities' official receipts in other provinces:

<u>Province</u>	<u>Receipt No.</u>	<u>Date of Receipt</u>
British Columbia	—	October 23, 1972
Alberta	46851-A	October 20, 1972
Saskatchewan	B-512	October 20, 1972
Manitoba	3602	October 19, 1972
Québec	3007	October 20, 1972
New Brunswick	73-169	October 20, 1972
Nova Scotia	—	October 24, 1972

15. FISCAL YEAR

The fiscal year of the Company ends on August 31 in each year.

16. ANNUAL MEETINGS

The last annual meeting of the Company was held on October 18, 1972, in Toronto, Ontario.

Permission was received from the Registrar of Companies of British Columbia to hold the annual meeting of the Company for 1972 in Toronto, Ontario, pursuant to Section 166 of The Companies Act of British Columbia.

17. HEAD AND OTHER OFFICES

The registered office of the Company is located at 1006 Richards Street, Vancouver, British Columbia, and its principal office is located at 960 Portage Avenue, Winnipeg, Manitoba, and, in addition, for purposes of carrying on business in the Provinces of Saskatchewan and Alberta the Company has registered offices located in the respective provinces at 2236 Albert Street, Regina, and 10040-104th Street, Edmonton.

18. TRANSFER AGENT

Canada Permanent Trust Company at its principal offices in the Cities of Vancouver, Calgary, Regina, Winnipeg, Toronto, Montreal and Halifax is the transfer agent for the common shares of the Company.

19. TRANSFER FEE

No fee is charged on stock transfers other than applicable Government stock transfer taxes.

20. REGISTRAR

Canada Permanent Trust Company is the Registrar of the Company at the offices specified in paragraph 18 hereof.

21. AUDITORS

The auditors of the Company are Deloitte, Haskins, & Sells, Chartered Accountants, 1 Lombard Place, Winnipeg, Manitoba.

22. OFFICERS

The officers of the Company are:

<u>Name and Home Address</u>	<u>Office</u>	<u>Principal Occupation During Last Five Years*</u>
Randall Lloyd Moffat 474 South Drive Winnipeg, Manitoba	Chairman	Chairman of the Company
James Ronald Mitchell 116 Old Mill Road Winnipeg, Manitoba	President	President of the Company

<u>Name and Home Address</u>	<u>Office</u>	<u>Principal Occupation During Last Five Years*</u>
Gary Thomas Brazzell 5025 Roblin Boulevard Winnipeg, Manitoba	Secretary	Partner in legal firm of Thompson, Dewar, Sweatman
Donald Manford Edmond Hamilton 1240 Eastview Road North Vancouver, British Columbia	Vice-President and General Manager, CKLG Division	General Manager, CKLG Division
David Eliot Lyman 132 Coleridge Avenue Winnipeg, Manitoba	Vice-President and General Manager, CKY Division	General Manager, CKY Division
Thomas Edward McBride 2 Varcrest Place, N.W. Calgary, Alberta	Vice-President and General Manager, CKXL Division	General Manager, CKXL Division
Vernon Lyle Traill 1309 Queen Crescent Moose Jaw, Saskatchewan	Vice-President and General Manager, CHAB Division	General Manager, CHAB Division
William Arnold Davis, C.A. 55 Shakespeare Bay Winnipeg, Manitoba	Treasurer	Treasurer of the Company and Comptroller of Channel Seven Television Ltd.

23.

DIRECTORS

The directors of the Company are:

<u>Name and Home Address</u>	<u>Principal Occupation During Last Five Years*</u>
Randall Lloyd Moffat 474 South Drive Winnipeg, Manitoba	Chairman of the Company
James Ronald Mitchell 116 Old Mill Road Winnipeg, Manitoba	President of the Company
Gary Thomas Brazzell 5025 Roblin Boulevard Winnipeg, Manitoba	Partner in the legal firm of Thompson, Dewar, Sweatman
Frederick Newton Hughes 9123-141st Street Edmonton, Alberta	Financial Consultant
John Blair MacAulay 119 Hansart Boulevard Winnipeg, Manitoba	Partner in legal firm of Aikins, MacAulay & Thorvaldson
Donald John McDonald 2 Hunthill Court Toronto, Ontario	Financial Consultant
Donna Mae Pryor 1804-96th Avenue, S.W. Calgary, Alberta	Vice-President, Pryor Communications Ltd.
James Milton Pryor 1804-96th Avenue, S.W. Calgary, Alberta	Chairman and President of Pryor Communications Ltd.
Bennet Randall Wong, M.D. 1165 Charwell Crescent West Vancouver, British Columbia	Consultant Psychiatrist

*All of the directors and officers of the Company have held the principal occupations or have been associated in various capacities with the firms set forth above during the past five years except as follows: F. Newton Hughes was President of Allarco Developments Ltd. from January, 1972, to September, 1972, prior to which he was a partner of Richardson Securities of Canada. Donald J. McDonald was President of Midland-Osler Securities Limited from July, 1970, to November, 1971, prior to which he was Executive Vice-President and Director of UNAS Investments Ltd. James M. Pryor was Chairman of the Board of the Company from June, 1969, to June, 1972, prior to which he was General Manager, CKXL Division of the Company.

CERTIFICATE

Pursuant to a resolution duly passed by its Board of Directors, Moffat Communications Limited, hereby applies for listing of the above-mentioned securities on The Toronto Stock Exchange and the undersigned officers thereof hereby certify that the statements and representations made in this application and in the documents submitted in support thereof are true and correct.



MOFFAT COMMUNICATIONS LIMITED

By: "J. R. MITCHELL",
President
By: "G. T. BRAZZELL",
Secretary

CERTIFICATE OF UNDERWRITER


To the best of our knowledge, information and belief, all of the statements and representations made in this application and in the documents submitted in support thereof are true and correct.

PITFIELD, MACKAY, ROSS AND COMPANY LIMITED

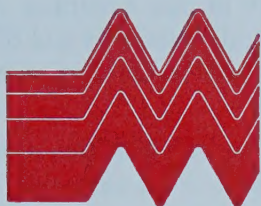
By: "HUGH H. TURNBULL",
Director

DISTRIBUTION OF COMMON STOCK AS OF NOVEMBER 22, 1972

Number								Shares
10	.....	Holders of	1 — 24	share lots	.....			77
27	.....	" "	25 — 99	" "	.....			1,410
147	.....	" "	100 — 199	" "	.....			15,100
81	.....	" "	200 — 299	" "	.....			16,400
19	.....	" "	300 — 399	" "	.....			5,700
10	.....	" "	400 — 499	" "	.....			4,000
42	" "	500 — 999	" "			24,239
51	" "	1000 — up	" "			1,433,074
<hr/>								<hr/>
387	Shareholders	Total shares						1,500,000



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moffat communications limited

360,000 Common Shares

without nominal or par value

The 360,000 Common Shares offered by this prospectus are being purchased from a shareholder of the Company and no part of the proceeds from such sale will be received by the Company. There is no market for the Common Shares of the Company and the price for this offering was determined by negotiation between the Selling Shareholder referred to under "Plan of Distribution" on page 13, and the Underwriter.

Applications have been made to list the Common Shares on the Toronto, Montreal and Vancouver Stock Exchanges. Acceptance of the listings will be subject to the filing of required documents and evidence of satisfactory distribution, both within 90 days.

	Price to Public	Underwriting Discount	Proceeds to the Selling Shareholder ⁽¹⁾
Per Share	\$11.50	\$0.69	\$10.81
Total	\$4,140,000	\$248,400	\$3,891,600

(1) Before deducting expenses of issue estimated at \$40,000, of which \$35,000 will be payable by the Company and \$5,000 will be payable by the Selling Shareholder.

The issue, ownership and transfer of shares of the Company, including the Common Shares offered by this prospectus, are subject to the restrictions described under "Restriction on the Issue, Ownership and Transfer of Shares" on page 15.

We, as principals, conditionally offer the Common Shares if, as and when delivered to and accepted by us, in accordance with the conditions contained in the underwriting agreement referred to under "Plan of Distribution" on page 13, subject to prior sale and subject to the right to reject any application in whole or in part. It is expected that definitive share certificates will be available for delivery on or about November 3, 1972.

**NO SECURITIES COMMISSION OR SIMILAR AUTHORITY IN CANADA HAS IN ANY WAY
PASSED UPON THE MERITS OF THE SECURITIES OFFERED HEREUNDER
AND ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.**

PURCHASER'S STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Sections 64 and 65 of The Securities Act (Alberta), sections 70 and 71 of The Securities Act, 1967 (Saskatchewan), sections 63 and 64 of The Securities Act (Manitoba), and sections 64 and 65 of The Securities Act (Ontario) provide, in effect, that where a security is offered in the course of primary distribution to the public,

- (a) a purchaser will not be bound by a contract for the purchase of such security if written or telegraphic notice of his intention not to be bound is received by the vendor or his agent not later than midnight on the second business day after the prospectus or amended prospectus offering such security is received or is deemed to be received by the purchaser or his agent; and
- (b) a purchaser has the right to rescind a contract for the purchase of such security, while still the owner thereof, if the prospectus or any amended prospectus offering such security, as of the date of receipt or deemed receipt, contains an untrue statement of a material fact or omits to state a material fact necessary in order to make any statement therein not misleading in the light of the circumstances in which it was made, but no action to enforce this right of rescission can be commenced after the expiration of 90 days from the date of such contract or the date on which such prospectus or amended prospectus is received or is deemed to be received by the purchaser or the purchaser's agent, whichever is later.

Sections 61 and 62 of the Securities Act, 1967 (British Columbia) provide, in effect, that where a security is offered in the course of primary distribution to the public, a purchaser has the same right of rescission described in (b) above and also that a purchaser has the right to rescind a contract for the purchase of a security, while still the owner thereof, if a copy of the last prospectus together with financial statements and reports and summaries of reports relating to the securities, as filed with the British Columbia Securities Commission, was not delivered to him or his agent prior to delivery of the written confirmation of the sale of the securities to either of them. Written notice of intention to commence an action for rescission must be served on the person who contracted to sell the security within 60 days of the date of delivery of the written confirmation, but no action shall be commenced after the expiration of three months from the date of service of such notice.

Reference is made to the aforesaid Acts for the complete texts of the provisions under which the foregoing rights are conferred and the foregoing summary is subject to the express provisions thereof.

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THE COMPANY

Moffat Communications Limited (the "Company") is engaged both directly and through subsidiary and affiliated companies in broadcasting, including the ownership and operation of AM and FM radio stations and a television station, and in the operation of a cable television system.

Under licenses from the Canadian Radio-Television Commission ("CRTC") the Company operates AM radio stations in Vancouver, Calgary, Moose Jaw and Winnipeg and FM stations in Vancouver and Winnipeg. The Company owns a 45% interest in Radio Station CHED Ltd. ("CHED") which operates an AM station in Edmonton. The Company owns a 51.9% equity (50% voting) interest in Channel Seven Television Ltd. ("Channel Seven") which operates CJAY-TV, a CTV-affiliated television station in Winnipeg. The Company also owns an 80% equity (74.5% voting) interest in Winnipeg Videon Limited ("Winnipeg Videon") which operates the major cable television system in Winnipeg. The Company recently has entered into an agreement to purchase, subject to CRTC approval, the minority interest in Channel Seven and a further agreement to purchase, subject to CRTC approval, certain of the assets and the goodwill as a going concern of radio station CHFM-FM in Calgary.

The Company was incorporated under the laws of British Columbia as Lion's Gate Broadcasting Ltd. by Certificate of Incorporation dated June 16, 1954. By Certificate of Amendment dated October 17, 1961 the name of the Company was changed to Moffat Broadcasting Ltd. and by further Certificate of Amendment dated August 7, 1972 the name of the Company was changed to its present form. By an amendment to the Articles of the Company which became effective September 20, 1972 certain restrictions were placed on the issue, ownership and transfer of shares of the Company. The registered office of the Company is located at 1006 Richards Street, Vancouver, British Columbia and its principal office is located at 960 Portage Avenue, Winnipeg, Manitoba.

RADIO BROADCASTING

General

The radio stations owned or in which the Company has an interest cover all the major markets in western Canada as shown on the map in the centrefold of this prospectus. During the past 20 years, radio broadcasting has changed from a mass to a selective advertising medium. In the development of its radio broadcasting operations the Company has, in respect of each of its stations, selected a specific audience to which it directs its programming. The audience of the Company's stations is composed primarily of young adults. This group is in the course of developing brand loyalties and is committed to large household expenditures due to marriage and the formation of families and is therefore attractive to advertisers.

At every station the personality of announcers, the type of music, the news, the documentaries and even the commercial and public service announcements must be compatible in order to present the total image desired by that station. Each station employs its own program director and is visited on a regular basis by an independent Canadian program consultant who offers advice on the execution of that station's programming as approved by management. All stations are members of the Canadian Contemporary News System, a nationally syndicated news service which provides news reports of national and international significance.

Advertisers commonly make use of surveys conducted by the BBM Bureau of Measurement ("BBM") which is a non-profit organization formed and controlled by advertisers, advertising agencies and broadcasters to conduct impartial measurements of radio and television audiences. There are a variety of ways of analyzing the results of these surveys. For purposes of this prospectus the BBM surveys of "Cumulative Audience" for all persons in the full coverage area during the time period 7 a.m. to 7 p.m. Monday through Friday is taken as being representative of the total number of persons reached by each of the Company's stations. For purposes of determining the performance of each station in relation to its specific target group the BBM determination of the "Average Quarter Hour Audience" in the full coverage area during the time period 7 a.m. to 7 p.m. Monday through Friday is used.

Reference in this prospectus to the ranking of each radio station in its market by total audience and target group is based on the latest BBM survey of July 1972.

CKLG-AM Vancouver

The Company operates CKLG-AM on a 24 hour basis. With a frequency of 730 Kilohertz (KHz.) and a power output of 10,000 watts, the station effectively covers the greater Vancouver area and is received clearly in Victoria. The programming format of CKLG-AM is described as "contemporary" and is directed towards persons in the 12 to 34 age group. Although there are seven English language AM radio stations licensed to serve metropolitan Vancouver, CKLG-AM has progressed to the point where the July 1972 BBM survey revealed that the station ranked second in terms of cumulative audience, fourth in terms of average quarter hour audience, and first among both adults 18-34 and teenagers 12-17. The Canadian Association of Broadcasters ("CAB") named CKLG-AM the 1972 AM radio station of the year and presented to CKLG-AM its annual award for news excellence.

CKLG-FM Vancouver

The programming format of CKLG-FM is described as "progressive-contemporary" and is designed to appeal to a more specialized audience than CKLG-AM. CKLG-FM operates on a 24-hour basis on a frequency of 99.3 Megahertz (MHz.) with a power output of 100,000 watts. The Company's policy is to limit program interruptions so that longer musical selections and programming of an informative nature may be presented. CKLG-FM ranked first in terms of cumulative audience among the seven Vancouver area FM stations in the July 1972 BBM survey. CAB also named CKLG-FM the 1972 FM radio station of the year.

CKXL-AM Calgary

CKXL-AM has a "contemporary" program format with particular emphasis on the Calgary listening audience in the 12 to 34 age group. CKXL-AM operates on a 24 hour basis at 1140 KHz. with a power output of 10,000 watts and effectively covers metropolitan Calgary. The station competes with four other AM radio stations in Calgary and the July 1972 BBM survey revealed that CKXL-AM ranked first among all persons in terms of cumulative and third in terms of average quarter-hour audience. Among adults 18-34 and teenagers 12-17 the station ranked first.

CHFM-FM Calgary

Under an agreement dated August 23, 1972 the Company has agreed to purchase from "The Eyeopener" Communications Ltd. for \$79,000 certain of the assets and the goodwill as a going concern of radio station CHFM-FM which is the only FM station in Calgary. CHFM-FM operates on a frequency of 95.9 MHz. with a power output of 11,000 watts. This purchase is subject to CRTC approval and the necessary application has been made. However there can be no assurance that approval will be granted.

CHAB-AM Moose Jaw/Regina

CHAB-AM is the only radio station in Moose Jaw. In addition this station serves Regina and the surrounding rural areas. The station operates 19 hours a day on a frequency of 800 KHz. with a power output of 10,000 watts. Because CHAB-AM serves both rural and urban listeners, its program format, described as "general appeal", is more varied than the format of the Company's other radio stations.

CKY-AM Winnipeg

CKY-AM operates 24 hours a day on a frequency of 580 KHz. with a power output of 50,000 watts which gives it the largest coverage area of any of the Company's radio stations. This station serves greater Winnipeg and most of southern Manitoba. CKY-AM's programming format is described as "adult contemporary" and is aimed at Winnipeg audiences in the 18-49 age group. CKY-AM is one of five English language stations in Winnipeg and the July 1972 BBM survey revealed that the station ranked third both in terms of cumulative and average quarter hour audience. Among adults 18-49

CKY-AM was third in the market. Management of the Company has taken steps, including the hiring of new personnel and revisions to the programming format, which it expects will improve the station's ability to serve listeners and improve its rating position.

CKY-FM Winnipeg

CKY-FM operates 24 hours a day at a frequency of 92.1 MHz. with a power of 360,000 watts which gives it an extensive coverage area. Its programming format is described as "quality music" and the July 1972 BBM survey reported that of the four FM radio stations in Winnipeg CKY-FM was second in terms of cumulative and third in terms of average quarter hour audience.

CHED-AM Edmonton

The Company owns 45% of CHED which operates radio station CHED-AM in Edmonton. The Company is responsible for the management and provision of staff. CHED-AM operates 24 hours a day on a frequency of 630 KHz. with a power output of 10,000 watts. Its program format is described as "contemporary" and is aimed towards an audience in the 12 to 34 age group. There are five English language radio stations in Edmonton and the July 1972 BBM survey indicated that CHED-AM ranked first in the market both in cumulative and average quarter hour audience and that it was first among both adults 18-34 and teenagers 12-17.

The Company also owns 45% of Sibbald Arms Ltd. ("Sibbald") which is the owner of the premises in which the offices and studios of CHED are located. CHED and Sibbald are owned in the same proportions by the same shareholders. The Articles of CHED and Sibbald provide that in the event any shareholder of CHED or Sibbald desires to sell shares, such shares must be offered pro rata to the other shareholders.

TELEVISION BROADCASTING

CJAY-TV Winnipeg

The Company owns a 51.9% equity (50% voting) interest in Channel Seven which has operated television station CJAY-TV in Winnipeg since 1960. CJAY-TV's full colour studios and production facilities are located in a building owned by Channel Seven at the Polo Park Shopping Centre. The transmitter site, also owned by Channel Seven, is located approximately 25 miles south of the studio building giving CJAY-TV broad coverage of southern Manitoba.

CJAY-TV receives via microwave the program service of CTV Television Network Ltd. ("CTV") consisting of 63 hours of programming per week. Approximately one-half of this service is "Network Sales Time" programming with respect to which CTV sells advertising and distributes to CJAY-TV its share of such revenue, after program and distribution costs. The remainder is "Station Sales Time" programming which CTV buys on behalf of its full affiliates who share the program and distribution costs. In respect of this programming CJAY-TV inserts national or local advertising secured by its own sales organizations.

Channel Seven is a shareholder and one of the eight full affiliates of CTV. Channel Seven has the right to nominate one member of CTV's board of directors. CTV's full affiliates, all located in major markets, provide the entire CTV program service to six other affiliated stations in smaller markets without charge to these affiliates provided they carry advertising sold by CTV. The eight full affiliates give support to these six affiliates by means of guaranteed time payments.

CJAY-TV is one of two English language television stations in Winnipeg, the other being CBWT which is owned and operated by the Canadian Broadcasting Corporation ("CBC"). Approximately 71% of the viewers in Winnipeg are able to receive off-air the signal of KCND-TV in Pembina, North Dakota which is a partial ABC affiliate. The July 1972 BBM television survey, showed that CJAY-TV attracted an average of 36% of the adult viewers in the period 7 p.m. to 11 p.m. compared with 30% for CBWT and 28% for KCND-TV. The remainder of the viewing time was divided between the three U.S. television stations whose signals are distributed on cable television and CBWFT, the French language television station in Winnipeg. CJAY-TV consistently has maintained the number one position (all adults, Monday to Sunday) in the metropolitan Winnipeg market both in total hours tuned each week

and in the important 7 p.m. to 11 p.m. time period. With the extension of CJAY-TV service to Brandon, referred to below, its market area will comprise approximately 800,000 potential viewers.

Channel Seven owns 50% of Relay Communication Ltd. ("Relay"), the other 50% being owned by the licensee of CKX-TV, Brandon, Manitoba. Relay recently has been granted approval by the CRTC to establish a rebroadcasting station, CJAY-TV-2, in Brandon to carry the CJAY-TV program service to southwestern Manitoba. This extension of CJAY-TV's coverage area will enable the station to obtain greater national advertising revenue. Under the terms of the agreement, the licensee of CKX-TV will share in the revenue generated by this new service which is expected to commence on or about December 20, 1972. Relay has applied to the CRTC for permission to establish a rebroadcasting station at Dauphin, Manitoba, which, if approved, will extend CJAY-TV's coverage area into west-central Manitoba. While the CRTC has considered this application and a public hearing has been held, there is no assurance that approval will be granted.

By agreement dated August 18, 1972 made between the Company, as purchaser, and Woodmount Investments Ltd. and Hon. J. Campbell Haig, as vendors, the Company has agreed to purchase, subject to CRTC approval, the 48.1% equity (50% voting) interest in Channel Seven held by the vendors for \$2,900,000 payable in cash on completion of the transaction. The Company has made application to the CRTC for permission to complete this purchase and has arranged a special line of credit from its bank sufficient to cover the purchase price. There is no assurance that approval will be granted.

In this application to the CRTC it was stated that if permission were granted for the Company to purchase the shares of Channel Seven, then Channel Seven would make applications to the CRTC to further extend its service to other areas of Manitoba.

The CRTC has announced that it is prepared to receive applications for an additional television station to serve the Winnipeg area. Applications must be filed on or before December 1, 1972. At the present time the Company is unable to evaluate the effect on Channel Seven of the possible establishment of a third Canadian English language television station in Winnipeg.

Prior to September 1969 MBL Cable Television Ltd. (then known as CHAB Ltd.), a wholly-owned subsidiary of the Company, owned television stations CHAB-TV Moose Jaw and CHRE-TV Regina, the assets of which were sold on September 13, 1969.

SUMMARY OF BROADCAST EARNINGS

The Company's earnings from its radio stations and television stations disposed of on September 13, 1969 and its interest in the net earnings of Channel Seven, CHED and Sibbald are summarized as follows:

	12 months ended June 30		12 months ended August 31		
	1968	1969	1970	1971	1972
Gross revenues	\$3,298,342	\$4,282,557	\$3,964,185	\$3,809,704	\$4,195,204
Operating expenses*	2,580,240	3,213,757	2,896,402	2,932,487	3,248,005
Depreciation	155,061	175,966	102,514	108,654	89,862
Interest on long-term debt	40,381	70,106	39,754	41,948	33,091
Income taxes	255,491	447,401	509,183	379,912	398,135
	<u>3,031,173</u>	<u>3,907,230</u>	<u>3,457,853</u>	<u>3,463,001</u>	<u>3,769,093</u>
Income before the undernoted	267,169	375,327	416,332	346,703	426,111
Share of net income of Channel Seven, CHED and Sibbald	<u>195,405</u>	<u>200,424</u>	<u>221,975</u>	<u>233,285</u>	<u>302,442</u>
Net income before extraordinary item	<u>\$ 462,574</u>	<u>\$ 575,751</u>	<u>\$ 638,307</u>	<u>\$ 579,988</u>	<u>\$ 728,553</u>

*These operating expenses include all of the Company's general overhead expenses whereas the operating expenses of Winnipeg Videon shown in the table on page 9 do not include any such expenses.

CABLE TELEVISION

The Company owns an 80% equity (74.5% voting) interest in Winnipeg Videon which is licensed to operate a cable television system in an area of the City of Winnipeg broadly bounded by Highways 100 and 101 (commonly referred to as the "Perimeter" highway) to the south, west and north on the east by the Red River, as shown on the map in the centrefold. From statistics published by the City of Winnipeg, it is estimated that Winnipeg Videon's licensed area includes about 117,000 households and has a population of approximately 377,000.

Television viewers in Winnipeg are able to receive the off-air signals of the CBC English and French stations, of CJAY-TV and of KCND-TV which is a partial ABC affiliate. Winnipeg Videon provides its subscribers with the signals of the foregoing stations as well as the full ABC, CBS and NBC network programs and the signals of the four local FM radio stations. If connected to an FM receiver, three additional FM signals are available. Winnipeg Videon recently completed the construction of programming facilities at its head office in Winnipeg and commenced local programming on August 5, 1972. Full colour programming will commence on October 15, 1972. Winnipeg Videon's programming facilities are accessible to residents of Winnipeg to produce programs that will complement the programming of conventional broadcasters.

Winnipeg Videon's rental rate is \$5.00 per month for individual subscribers. Additional television and FM connections are available for a fee of \$1.50 per month for the first such outlet and \$1.00 for each additional outlet. Subscribers are charged an installation fee of \$10.00 except in special circumstances where the fee may be higher. Bulk rentals are made to apartment owners at the rate of \$2.25 per outlet and to hotels at the rate of \$1.25 per outlet. All charges are subject to Province of Manitoba revenue tax of 5% which is payable by the subscribers.

Winnipeg Videon owns its head-end or signal reception facility located approximately three miles south of Winnipeg and leases the signal to the other cable television system in Winnipeg at an annual rental of \$20,000. Television signals of three U.S. network-affiliated television stations are received from between 120 and 170 air miles away and signal quality varies depending upon weather conditions. In order to improve the quality and consistency of these signals, Winnipeg Videon has made application to the CRTC and the Federal Department of Communications ("DOC") to build and operate its own microwave system from the Canada-U.S. border to Winnipeg without increasing its rental rates. However, there can be no assurance that the CRTC and DOC will approve such applications. In addition, Winnipeg Videon has had discussions with Manitoba Telephone System ("MTS") concerning the possibility of MTS constructing the required microwave facilities and leasing the same to Winnipeg Videon. Whether Winnipeg Videon builds its own microwave system or rents from MTS, it is not expected that the long term costs will be significantly different.

Winnipeg Videon is also licensed to provide cable television service to the Town of Pinawa located 55 miles north-east of Winnipeg. This system was constructed in 1964 and presently serves 585 households under a bulk rental arrangement with Atomic Energy of Canada Limited which pays Winnipeg Videon a monthly amount depending upon the number of outlets in use.

Winnipeg Videon commenced construction of its cable television system in Winnipeg in October, 1967 and by August 31, 1972, 114,828 households in its licensed area had access to the system. This represents all of the households in the developed portion of the licensed area and expansion of the system

into sparsely populated areas (referred to as "unpopulated" on the map in the centrefold) will be undertaken in conjunction with the expansion of utility services. The growth in subscribers and earnings of Winnipeg Videon are summarized as follows:

	12 months ended June 30, 1968	12 months ended August 31			
		1969	1970	1971	1972
Households passed at end of period . .	460	47,632	86,920	94,078	115,412
Subscribers at end of period	460	8,708	22,652	29,645	40,717
% penetration	100%	18%	26%	32%	35%
Gross revenues	\$22,597	\$248,171	\$ 952,874	\$1,510,464	\$2,113,747
Operating expenses*	4,890	388,336	750,487	766,549	827,486
Depreciation	6,930	169,130	410,205	480,284	534,061
Interest on long-term debt	—	122,129	276,477	328,586	350,253
Deferred income taxes (reductions) . .	—	(226,500)	(251,147)	(33,779)	209,012
	11,820	453,095	1,186,022	1,541,640	1,920,812
Net earnings (losses)	10,777	(204,924)	(233,148)	(31,176)	192,935
Minority share	8,622	(163,939)	(178,781)	(24,019)	38,587
Company's share of net earnings (losses)	\$ 2,155	(\$40,985)	(\$54,367)	(\$7,157)	\$ 154,348

*These figures do not include any of the Company's general overhead expenses, all of which are included in the Table on page 7.

To August 31, 1972 Winnipeg Videon had incurred capital expenditures of \$6,477,851 in the construction of its cable television system. These capital expenditures were financed as to \$2,500,000 by a term bank loan, as to \$3,268,267 by shareholder advances including accrued interest (of which \$2,448,163 is payable to a former shareholder, \$686,211 is payable to the minority shareholder and \$133,893 is payable to the Company) and the balance from funds generated by Winnipeg Videon's operations.

PROPERTIES

The principal physical assets of the Company are the electronic and other broadcasting equipment of its broadcasting stations. The Company owns the lands and buildings containing the offices, studios and transmitter equipment of its radio stations except that it leases office and studio facilities for CKXL-AM and CHAB-AM and the transmitter site for CKLG-FM. The Company also leases its head office facilities.

Winnipeg Videon's principal physical assets consist of the system components including its head-end antennae, electronic receiving and processing equipment, certain coaxial cable, electronic amplifiers and miscellaneous equipment. Winnipeg Videon leases its office, warehouse, and programming facilities and the site on which its head-end and control facilities are located. Under an agreement dated May 31, 1967 between Winnipeg Videon and MTS which expires on May 10, 1979, subject to Winnipeg Videon's right to renew, Winnipeg Videon pays for the cost of trunk and distribution cable and its installation and leases its distribution channels from MTS at an annual rental based on a set price per 100 feet of cable. The total annual rental paid to MTS during the year ended August 31, 1972 was \$243,500.

Channel Seven's properties are described under "Television Broadcasting".

REGULATION

The CRTC is the Canadian federal authority, created pursuant to the Broadcasting Act (Canada) for the purpose of regulating broadcasting in Canada and as such is responsible for issuing broadcasting licences. The CRTC has stated that it recognizes the importance of establishing long-range

policies governing the broadcasting system in order that potential investors can properly assess the future of companies engaged in this field. In a policy statement dated July 16, 1971, the CRTC stated that where possible licenses for all broadcasting undertakings should be for five-year terms, the maximum permitted under the Broadcasting Act.

Radio and Television

The licences for the radio and television stations which the Company and its subsidiaries and affiliates hold expire on various dates from March 31, 1973 to March 31, 1975. Applications for renewal of licences expiring in 1973 have been made and applications for renewal of other licences will be made at the appropriate times.

Under the Broadcasting Act, the CRTC has wide powers to regulate radio and television broadcasting. Radio stations have been directed that 30% of the music played on AM stations between the hours of 6:00 a.m. and midnight must be Canadian, as defined by regulation. The Company has not experienced undue difficulty in complying with this regulation.

The CRTC has issued regulations, to be effective October 1, 1972, requiring that programming for the privately-owned element of the Canadian television system must be 60% Canadian over the program day and at least 50% Canadian from 6:00 p.m. to midnight. The overall effect of this regulation will be to increase the cost of programming. However, the Company supports the philosophy underlying the regulation and does not anticipate any undue difficulty in complying with the regulations. It is expected that the cost thereof will not materially affect the Company's earnings in the long term.

Cable Television

Although cable television licences are not by their terms exclusive, the CRTC has not awarded competitive licences in a given area. Winnipeg Videon's licence was renewed on January 1, 1972 and expires on September 30, 1975.

On July 16, 1971, the CRTC issued a policy statement relating to the integration of cable television into the Canadian broadcasting system. While the policy statement did not purport to constitute a definitive expression of the CRTC's policy with respect to cable television, it did advance proposals for further policies including the suggestion that cable television systems of a certain size compensate television broadcasters in some way for the cost of Canadian programming and that a method be determined whereby cable television systems delete and replace programming which duplicates that of the local television broadcaster.

In addition, the policy statement stated that the CRTC would permit cable television licensees to remove the commercial content contained in the signals of stations carried by them but not licensed to serve Canada. The CRTC indicated that it will encourage cable television licensees to make contractual arrangements with Canadian television stations in their areas to insert replacement signals carrying commercial messages sold by Canadian television stations. Such arrangements would require the prior approval of the CRTC and the resolution of a number of complex legal issues. The extent to which these suggestions may be implemented and their effect on the cable television industry is not at this time fully determinable.

Canadian Ownership

The Company meets the requirements of the Order of the Governor General in Council dated November 20, 1969 whereby the CRTC was directed, amongst other things, to issue broadcasting licences only to corporations incorporated under the laws of Canada or a province of Canada, of which the chairman or other presiding officer and each director is a Canadian citizen and of which at least four-fifths of the issued shares having full voting rights under all circumstances, and shares representing in the aggregate at least four-fifths of the paid up capital, are beneficially owned by Canadian citizens or by corporations other than corporations that are controlled directly or indirectly by citizens or subjects of a country other than Canada.

The Order-in-Council provides that if the CRTC is of the opinion that any corporation is effectively owned or controlled other than in the manner permitted by the said Order-in-Council such corporation shall be deemed not to be eligible to receive a broadcasting licence.

The Articles of Association of the Company as amended provide that the directors of the Company are empowered to refuse to register any transfer of shares of the Company which might, in the opinion of the directors, affect the eligibility of the Company to hold broadcasting licences. Persons who purchase Common Shares pursuant to this offering will be requested, prior to registration of such shares in their names, to complete a declaration as to their citizenship. Reference is made to the heading "Restriction on the Issue, Ownership and Transfer of Shares".

MANAGEMENT

Management Group

The management group of the Company and its subsidiary and affiliated companies consists of ten key people who have had broad experience in broadcasting and have occupied positions of increasing responsibility within the organization. The average age of the management group is 43 years and their average length of service with the Company is 10 years. Included in this group are Jack M. Davidson, General Manager of Channel Seven, J. Sydney Boyling, Vice-President and General Manager of Winnipeg Videon and M. M. Forbes, Vice-President and General Manager of CHED.

Directors and Officers

The names and home addresses of the directors and officers of the Company, the offices held by each and their principal occupations are as follows:

Name and Home Address	Office	Principal Occupation
Randall Lloyd Moffat, 474 South Drive, Winnipeg, Manitoba.	Chairman and Director	Chairman of the Company.
James Ronald Mitchell, 116 Old Mill Road, Winnipeg, Manitoba.	President and Director	President of the Company.
Gary Thomas Brazzell, 5025 Roblin Boulevard, Winnipeg, Manitoba.	Secretary and Director	Partner in legal firm of Thompson, Dewar, Sweatman.
Frederick Newton Hughes, 9123-141st Street, Edmonton, Alberta.	Director	Financial Consultant.
John Blair MacAulay, 119 Hansart Boulevard, Winnipeg, Manitoba.	Director	Partner in legal firm of Aikins, MacAulay & Thorvaldson.
Donald John McDonald, 2 Hunthill Court, Toronto, Ontario.	Director	Financial Consultant.
Donna Mae Pryor, 1804-96th Avenue S.W., Calgary, Alberta.	Director	Vice-President, Pryor Communications Ltd.

Name and Home Address	Office	Principal Occupation
James Milton Pryor, 1804-96th Avenue S.W., Calgary, Alberta.	Director	Chairman and President of Pryor Communications Ltd.
Bennet Randall Wong, M.D., 1165 Charwell Crescent, West Vancouver, British Columbia.	Director	Consultant Psychiatrist.
Donald Manford Edmond Hamilton, .. 1240 Eastview Road, North Vancouver, British Columbia.	Vice-President and General Manager, CKLG Division	General Manager, CKLG Division.
David Eliot Lyman, 132 Coleridge Avenue, Winnipeg, Manitoba.	Vice-President and General Manager, CKY Division	General Manager, CKY Division.
Thomas Edward McBride, 2 Varcrest Place, N.W., Calgary, Alberta.	Vice-President and General Manager, CKXL Division	General Manager, CKXL Division.
Vernon Lyle Traill, 1309 Queen Crescent, Moose Jaw, Saskatchewan.	Vice-President and General Manager, CHAB Division	General Manager, CHAB Division.
William Arnold Davis, C.A., 55 Shakespeare Bay, Winnipeg, Manitoba.	Treasurer	Treasurer of the Company and Comptroller of Channel Seven.

All of the directors and officers of the Company have held the principal occupations or have been associated in various capacities with the firms set forth above during the past five years except as follows: F. Newton Hughes was President of Allarco Developments Ltd. from January 1972 to September 1972 prior to which he was a partner of Richardson Securities of Canada. Donald J. McDonald was President of Midland-Osler Securities Limited from July 1970 to November 1971 prior to which he was Executive Vice-President and Director of UNAS Investments Ltd. James M. Pryor was Chairman of the Board of the Company from June 1969 to June 1972 prior to which he was General Manager, CKXL Division of the Company.

On June 28, 1972, the Company entered into five-year employment agreements with J. Ronald Mitchell as President of the Company and with Donald M. E. Hamilton as Vice-President and General Manager, CKLG Division.

Remuneration

The aggregate direct remuneration paid by the Company and its subsidiaries to directors and senior officers of the Company for the fiscal year ended August 31, 1972 was \$378,647 and for the fiscal year ending August 31, 1973 is estimated to be \$388,000. In addition, one of the Company's affiliates paid to the directors and senior officers of the Company remuneration of \$32,700 for the fiscal year ended August 31, 1972.

Pension Benefits

The estimated total cost to the Company and its subsidiaries for the fiscal year ended August 31, 1972 of all pension benefits proposed to be paid, directly or indirectly, to the directors and senior officers of the Company under their normal pension plans in the event of retirement at normal retirement age was \$3,400.

SHAREHOLDERS

All of the outstanding Common Shares of the Company are owned of record or beneficially, directly or indirectly, by the persons whose names are set forth below. The following table also indicates the number of Common Shares owned by the Selling Shareholder and the number of shares to be owned by it after the sale of the shares offered by this prospectus.

Shareholders	Number of Shares Owned	Percent-age of Class	Number of Shares to be Sold	Number of Shares to be Owned after this Financing	% of Class to be Owned after this Financing
Randall L. Moffat	705,000	47%	—	705,000	47%
Pryor Communications Ltd., 23 Hollinsworth Building, 303 8th Avenue S.W., Calgary, Alberta (1) (2) . . .	705,000	47%	360,000	345,000	23%
J. Ronald Mitchell (2)	45,000	3%	—	45,000	3%
Donald M. E. Hamilton (2) . . .	45,000	3%	—	45,000	3%
	<u>1,500,000 shs.</u>	<u>100%</u>	<u>360,000 shs.</u>	<u>1,140,000 shs.</u>	<u>76%</u>

(1) All of the issued shares of Pryor Communications Ltd. are owned by James M. Pryor and his wife Donna M. Pryor. Mr. and Mrs. Pryor are each the registered owner of one Common Share of the Company beneficially owned by Pryor Communications Ltd. Mrs. Pryor by reason of her having control of Pryor Communications Ltd. is deemed to own indirectly all of the Common Shares of the Company that are in fact owned by Pryor Communications Ltd.

(2) Pryor Communications Ltd. has granted options to J. Ronald Mitchell and Donald M. E. Hamilton to purchase respectively 30,000 and 15,000 of the Common Shares of the Company owned by it.

Under an agreement entered into between Randall L. Moffat and Pryor Communications Ltd. on August 8, 1972 it has been agreed by them that they will both vote their shares in the Company for the election as directors of the Company of persons nominated by them on a pro rata basis. Upon completion of the sale of the Common Shares of the Company offered by this prospectus Pryor Communications Ltd. will be entitled to nominate two persons as directors of the Company. The said agreement also provides that so long as Pryor Communications Ltd. owns at least 10% of the outstanding shares in the Company, it will be entitled to nominate at least one director of the Company.

Under a further agreement dated August 8, 1972 among Randall L. Moffat, Pryor Communications Ltd., J. Ronald Mitchell and Donald M. E. Hamilton, it has been agreed that for a period of six years the Common Shares of the Company presently owned by Messrs. Mitchell and Hamilton will be voted at meetings of shareholders of the Company in such manner as Randall L. Moffat shall direct.

PLAN OF DISTRIBUTION

Under an agreement dated October 18, 1972 among Pryor Communications Ltd. (the "Selling Shareholder"), the Company and Pitfield, Mackay, Ross & Company Limited (the "Underwriter"), on its own behalf as underwriter, the Selling Shareholder agreed to sell and the Underwriter agreed to purchase 360,000 Common Shares of the Company at the price of \$10.81 per share payable in cash against delivery of certificates representing the said Common Shares on or about November 3, 1972, and in any event no later than November 29, 1972, all upon the terms and conditions set forth in the agreement. The agreement provides that the obligations of the Underwriter and the Selling Shareholder are subject to the satisfaction of certain terms and conditions and that either the Underwriter or the Selling Shareholder may in the circumstances described in the agreement, terminate their respective obligations. The Underwriter is obliged, however, to take up and pay for all of the said 360,000 Common Shares if any shares are purchased under the agreement.

The Underwriter has agreed with the Selling Shareholder and the Company that to the extent it is able to do so and still achieve satisfactory distribution to the public of the Common Shares offered by this prospectus, it will offer, as part of such distribution, up to a maximum of 18,000 Common Shares of the Company to persons specified by the Company who are officers or employees of the Company, its subsidiaries or affiliates, at the offering price to the public set forth on the front page of this prospectus. Any such offeree who purchases 1,000 Common Shares or more will be asked to agree with the Underwriter that he will not sell, transfer or otherwise dispose of any such Common Shares for 180 days from the date of his purchase of such shares without the prior written consent of the Underwriter. It is understood, however, that all decisions relating to the offering and sale of the Common Shares offered by this prospectus will be exclusively in the discretion of the Underwriter.

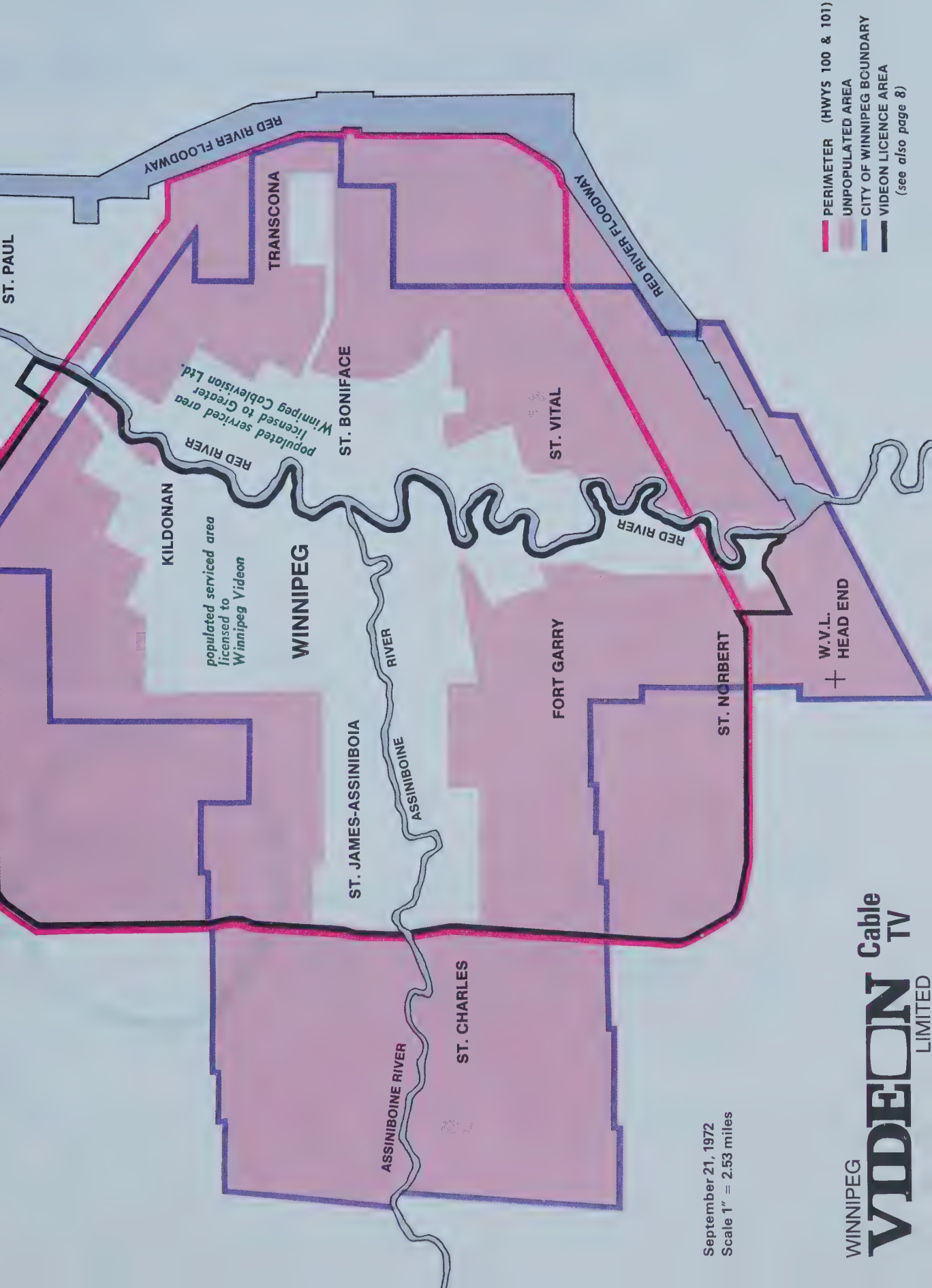
The agreement between the Selling Shareholder and the Underwriter provides that the Selling Shareholder shall not sell, transfer or otherwise dispose of any Common Shares of the Company owned by it for 180 days from the date of such agreement without the prior written consent of the Underwriter. By agreement dated October 18, 1972, Randall L. Moffat, J. Ronald Mitchell and Donald M. E. Hamilton have given a similar undertaking to the Underwriter with respect to the Common Shares of the Company owned by them.

The Common Shares will be offered to the public in all provinces of Canada, except Prince Edward Island and Newfoundland, through the Underwriter and other registered investment dealers and brokers.

CONSOLIDATED CAPITALIZATION

Designation of Security	Authorized	Outstanding as at August 31, 1972 (1)
Debt		
The Company (2) (3)	—	—
Winnipeg Videon		
Term bank loan (2)	—	\$2,100,000
6¾ % Notes due 1974-1977	—	\$2,340,562
Non-interest bearing Note due 1977	—	\$ 107,601
MBL Cable Television Ltd.		
6¾ % Note due 1973	—	\$ 391,960
Minority interest in		
Winnipeg Videon (4)	—	\$ 620,597
Share Capital of the Company		
Common Shares without nominal or par value (5)	2,500,000 shs.	1,500,000 shs. (\$ 571,264)

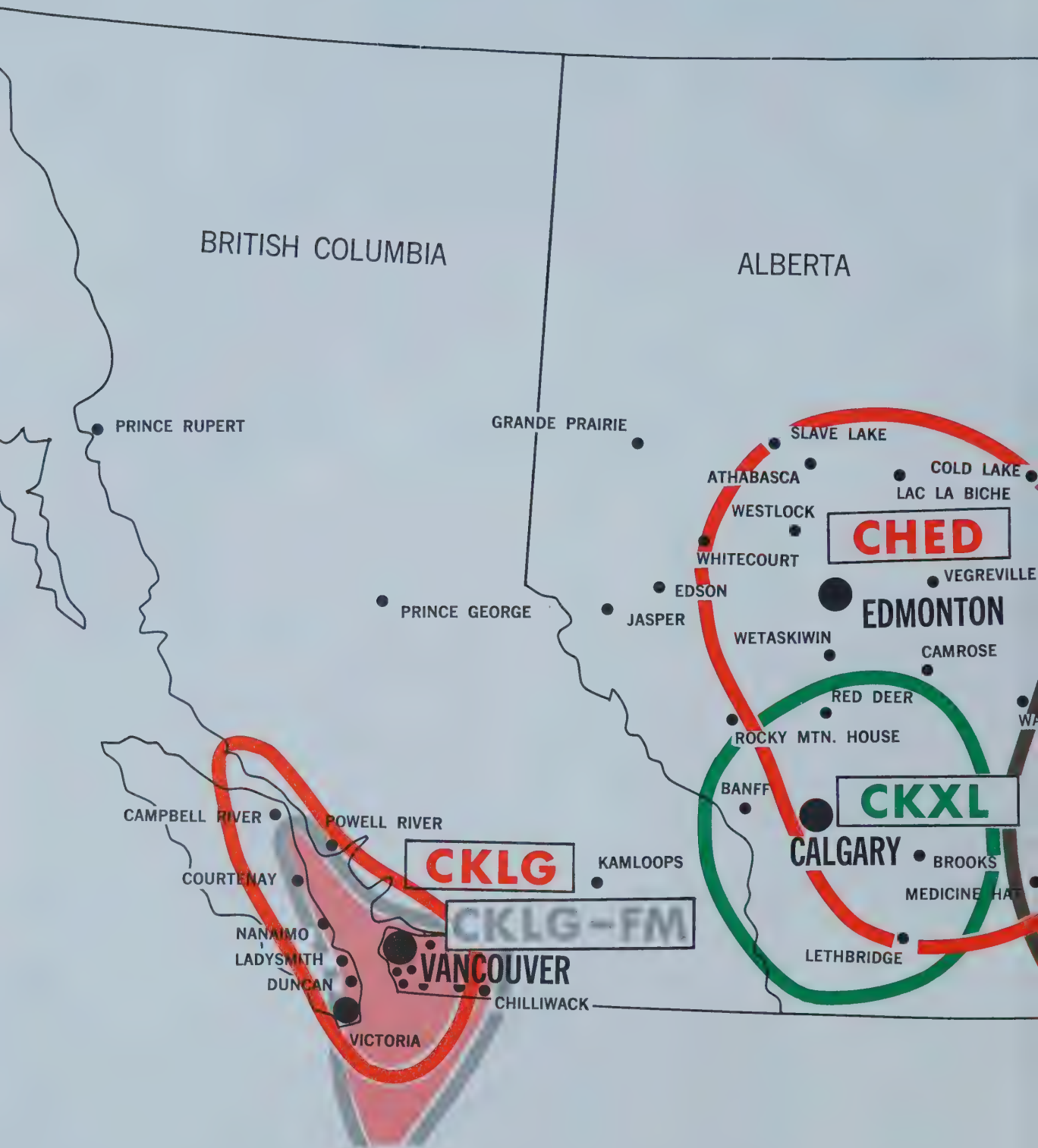
- (1) No part of the proceeds from the sale of the Common Shares offered by this prospectus will be received by the Company and as a consequence the completion of the sale of such shares will not affect the above Consolidated Capitalization table.
- (2) While the Company has no outstanding long-term debt it has guaranteed payment of 80% of the term bank loan of Winnipeg Videon. In support of such guarantee the Company has created and pledged \$2,080,000 principal amount of 7% Secured Debentures. These debentures are secured by a first, fixed and specific charge on certain assets and a first floating charge on the other assets of the Company.
- (3) As indicated under the heading "Television Broadcasting" the Company, subject to obtaining CRTC approval, has agreed to purchase for \$2,900,000 the minority interest held by others in Channel Seven. In connection therewith the Company has arranged to borrow up to \$3,000,000 from its bank. The loan to be made to the Company will be repayable in equal amounts over a period of four years and will be secured by the pledging with the Company's bank of additional Secured Debentures. As at August 31, 1972 Channel Seven had \$540,274 of long term debt outstanding.
- (4) The minority interest in Winnipeg Videon represents the principal and accrued interest on advances from minority shareholders less their share of the net capital deficiency of that company as at August 31, 1972.
- (5) The number of authorized and outstanding Common Shares has been adjusted to give effect to the subdivision and surrender of shares and increase in capital of the Company described in Note 1 to the Consolidated and Combined Financial Statements. In addition to the stated dollar value for capital indicated herein, the Company had consolidated retained earnings of \$3,808,544 as at August 31, 1972.
- (6) Lease agreements are referred to in Note 8 to the Consolidated and Combined Financial Statements.



September 21, 1972
Scale 1" = 2.53 miles

WINNIPEG
VIDEON Cable TV
LIMITED

Moffat Communications Li



Limited Radio Coverage Area



September 21, 1972
Scale 1" = 103.7 miles

DESCRIPTION OF COMMON SHARES

Common Shares

Holders of Common Shares are entitled to one vote per share at all meetings of shareholders of the Company. All Common Shares are fully paid and non-assessable and rank equally in respect of dividend payments and upon a winding-up or dissolution of the Company.

Restriction on the Issue, Ownership and Transfer of Shares

To ensure compliance with the November 20, 1969 Order of the Governor General in Council concerning ownership of broadcast licences referred to under "Regulation" the Articles of Association of the Company as amended contain restrictions relating to the issue, ownership and transfer of shares of the Company which may be summarized as follows:

The directors of the Company may refuse to issue any share of the Company or to permit the registration of a transfer of any such share that would, in the opinion of the directors, jeopardize or adversely affect the right of the Company or any subsidiary thereof to obtain, maintain, amend or renew a licence to operate a broadcasting undertaking as defined in the Broadcasting Act of Canada or in any legislation enacted in substitution therefor.

For the purpose of determining the beneficial owner of a share to be issued or in respect of which the registration of a transfer is requested, the directors may require that there shall first be submitted to the Company or its transfer agent, a declaration in writing signed by the person in whose name the shares are proposed to be registered, setting forth the name of the person for whose use or benefit the share is held and,

- (a) where that person is an individual, his citizenship, or
- (b) where that person is a corporation, the jurisdiction under which such corporation was incorporated and whether such corporation is legally or effectively owned or controlled, directly or indirectly, by or on behalf of persons who are citizens or subjects of a country other than Canada, and
- (c) such other evidence as the directors may from time to time require to enable them to form an opinion as to whether or not the issue or transfer would jeopardize or adversely affect the right of the Company or any subsidiary thereof to obtain, maintain, amend or renew a licence to operate a broadcasting undertaking.

The directors may make such rules and regulations from time to time as they shall deem necessary or appropriate to enforce, but not to amend, these restrictions.

Every share certificate issued by the Company will bear upon its face a legend to the effect that the right of ownership and the right to register or transfer of the shares represented by such certificate is restricted.

DIVIDENDS

The Directors of the Company have passed a resolution stating that, subject to the financial condition and business prospects of the Company, it is their intention to declare and pay quarterly dividends on the Common Shares at an annual rate representing not less than 20% of the net income after taxes for the fiscal year of the Company ended immediately prior to such quarterly payments. In keeping with this intention, the Company on August 31, 1972 paid a dividend of \$25,135 (reference is made to Note 6 of the Notes to the Consolidated and Combined Financial Statements) and the Directors of the Company have declared a quarterly dividend for the quarter ended November 30, 1972 of 3¢ per outstanding Common Share payable on November 30, 1972 to shareholders of record on November 1, 1972. Purchasers of the Common Shares offered by this prospectus will not be entitled to receive the dividend payable on November 30, 1972.

MATERIAL CONTRACTS

Except for contracts entered into in the ordinary course of business, the only material contracts entered into by the Company and its subsidiaries within the two years preceding the date hereof are as follows:

- (1) The agreement among the Company, Woodmount Investments Ltd. and Hon. J. Campbell Haig referred to under the heading "Television Broadcasting";
- (2) The agreement between the Company and "The Eyeopener" Communications Ltd. referred to under the subheading "CHFM-FM Calgary"; and
- (3) The underwriting agreement referred to under the heading "Plan of Distribution".

Copies of the foregoing agreements may be examined during normal business hours at the principal office of the Company, 301—960 Portage Avenue, Winnipeg, Manitoba, during the period of primary distribution to the public of the Common Shares offered by this prospectus and for a period of thirty days thereafter.

REGISTRAR AND TRANSFER AGENT

Canada Permanent Trust Company at its principal offices in the Cities of Halifax, Montreal, Toronto, Winnipeg, Regina, Calgary and Vancouver will be the registrar and transfer agent for the Common Shares of the Company.

AUDITORS

The auditors of the Company are Deloitte, Haskins & Sells, Chartered Accountants, 1 Lombard Place, Winnipeg, Manitoba.

LEGAL MATTERS

Legal matters in connection with the authorization, issue and sale of the Common Shares offered by this prospectus are subject to prior approval of Thompson, Dewar, Sweatman, Winnipeg, on behalf of the Company and the Selling Shareholder and of McCarthy & McCarthy, Toronto, on behalf of the Underwriter. Gary T. Brazzell a director of the Company is a partner of Thompson, Dewar, Sweatman, Counsel for the Company and the Selling Shareholder.

ELIGIBILITY FOR INVESTMENT

In the opinion of counsel, the Common Shares offered by this prospectus (a) will be investments in which the Canadian and British Insurance Companies Act (Canada) states that a company registered under Part III thereof may invest its funds without availing itself for that purpose of subsection 4 of Section 63 of the said Act; (b) will be assets which may be vested in trust for the purposes of Foreign Insurance Companies Act (Canada) by companies registered thereunder without resorting to the provisions of Section 4 of Schedule I to such Act; and (c) will be an investment in which the Pension Benefits Standards Regulations, made pursuant to the Pension Benefits Standards Act (Canada), state that the funds of a pension plan registered thereunder may, without resorting for that purpose to the provisions of Section 4 of Schedule C to such Regulations, be invested, subject to the conditions and limitations in that regard set forth in such Act and Regulations.

**MOFFAT COMMUNICATIONS LIMITED
AND SUBSIDIARY COMPANIES**

CONSOLIDATED BALANCE SHEET AS AT AUGUST 31, 1972

ASSETS

CURRENT ASSETS

Cash	\$ 496,501
Accounts receivable	778,641
Deferred income taxes (Note 3)	302,414
Prepaid expenses	82,294
Total current assets	<u>1,659,850</u>

INVESTMENTS

Shares in affiliated companies (Note 2)	1,232,030
Other — at cost	12,625
Total investments	<u>1,244,655</u>

PROPERTY, PLANT AND EQUIPMENT — AT COST

Property, plant and equipment (including land \$111,992)	8,676,066
Less accumulated depreciation	3,086,382
Net property, plant and equipment	<u>5,589,684</u>

EXCESS OF COST OF SHARES OVER NET ASSETS OF SUBSIDIARIES AT

DATES OF ACQUISITION (Note 2)	2,682,594
TOTAL	<u>\$11,176,783</u>

LIABILITIES AND SHAREHOLDERS' EQUITY

CURRENT LIABILITIES

Accounts payable and accrued charges	\$ 445,204
Payable on purchase of shares in affiliate	200,000
Income taxes	215,395
Current portion of long-term debt	616,960
Customers' deposits and unearned income	276,197
Total current liabilities	<u>1,753,756</u>

LONG-TERM DEBT (Note 4) 4,323,163

DEFERRED INCOME TAXES (Note 3) 99,459

MINORITY INTEREST (Note 5) 620,597

SHAREHOLDERS' EQUITY

Capital stock (Note 1)	571,264
Retained earnings	3,808,544
Total shareholders' equity	<u>4,379,808</u>

 TOTAL

	<u>\$11,176,783</u>
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Approved by the Board:

(Sgd.) J. R. MITCHELL, Director.

(Sgd.) RANDALL L. MOFFAT, Director.

The accompanying notes are an integral part of these financial statements.

**MOFFAT COMMUNICATIONS LIMITED
AND SUBSIDIARY COMPANIES**

CONSOLIDATED STATEMENT OF INCOME

For the year ended June 30, 1968 and the four years ended August 31, 1972

	12 months ended June 30 1968	12 months ended August 31			
		1969	1970	1971	1972
Revenues					
Radio, television and cable	\$3,298,342	\$4,282,557	\$3,964,185	\$4,888,340	\$6,308,951
Expenses					
Operating expenses	2,580,240	3,213,757	2,896,402	3,447,289	4,075,491
Depreciation and amortization (Note 7)	155,061	175,966	102,514	424,174	623,923
Interest on long-term debt	40,381	70,106	39,754	273,133	383,344
Income taxes — current	165,512	426,604	493,197	381,564	410,380
— deferred	89,979	20,797	15,986	3,530	196,767
	<u>3,031,173</u>	<u>3,907,230</u>	<u>3,547,853</u>	<u>4,529,690</u>	<u>5,689,905</u>
Income before undernoted items	<u>267,169</u>	<u>375,327</u>	<u>416,332</u>	<u>358,650</u>	<u>619,046</u>
Share of net income of affiliates	197,560	159,439	167,608	216,574	302,442
Minority interest in net income of subsidiary	<u>—</u>	<u>—</u>	<u>—</u>	<u>2,393</u>	<u>38,587</u>
	<u>197,560</u>	<u>159,439</u>	<u>167,608</u>	<u>214,181</u>	<u>263,855</u>
Income before extraordinary item	\$ 464,729	\$ 534,766	\$ 583,940	\$ 572,831	\$ 882,901
Extraordinary item (Note 9)	—	—	255,225	—	—
Net income for the year	<u>\$ 464,729</u>	<u>\$ 534,766</u>	<u>\$ 839,165</u>	<u>\$ 572,831</u>	<u>\$ 882,901</u>
Income per share — based on 1,500,000 shares outstanding					
Before extraordinary item	31.0¢	35.7¢	38.9¢	38.2¢	58.9¢
Extraordinary item	<u>—</u>	<u>—</u>	<u>17.0¢</u>	<u>—</u>	<u>—</u>
Net income per share for the year	<u>31.0¢</u>	<u>35.7¢</u>	<u>55.9¢</u>	<u>38.2¢</u>	<u>58.9¢</u>

The accompanying notes are an integral part of these financial statements.

**MOFFAT COMMUNICATIONS LIMITED
AND SUBSIDIARY COMPANIES**

COMBINED STATEMENT OF INCOME

For the year ended June 30, 1968 and the four years ended August 31, 1972

	June 30 1968	August 31			
		1969	1970	1971	1972
Revenues					
Radio, television and cable	\$6,129,438	\$7,441,120	\$7,886,651	\$8,208,300	\$9,365,204
Expenses					
Operating expenses	4,546,928	5,672,766	5,756,341	5,763,784	6,166,115
Depreciation and amortization (Note 7)	413,559	519,364	657,908	735,686	770,223
Interest on long-term debt	86,879	241,352	359,872	414,150	419,362
Income taxes — current	479,597	756,645	833,314	722,384	800,691
— deferred (reductions)	51,098	(217,203)	(227,561)	(43,531)	200,767
	<u>5,578,061</u>	<u>6,972,924</u>	<u>7,379,874</u>	<u>7,592,473</u>	<u>8,357,158</u>
Income before undernoted items	<u>551,377</u>	<u>468,196</u>	<u>506,777</u>	<u>615,827</u>	<u>1,008,046</u>
Share of net income of affiliates	65,131	57,254	66,401	88,931	115,422
Minority interest in net (income) losses of subsidiary and affiliate	(151,779)	9,316	10,762	(131,927)	(240,567)
	<u>(86,648)</u>	<u>66,570</u>	<u>77,163</u>	<u>(42,996)</u>	<u>(125,145)</u>
Income before extraordinary item	\$ 464,729	\$ 534,766	\$ 583,940	\$ 572,831	\$ 882,901
Extraordinary item (Note 9)	—	—	255,225	—	—
Net income for the year	<u>\$ 464,729</u>	<u>\$ 534,766</u>	<u>\$ 839,165</u>	<u>\$ 572,831</u>	<u>\$ 882,901</u>

CONSOLIDATED STATEMENT OF RETAINED EARNINGS

For the period from June 30, 1967 to August 31, 1972

	Year ended June 30 1968	Two months ended August 31 1968	Years ended August 31			
			1969	1970	1971	1972
Balance at beginning of the period	\$643,226	\$ 987,508	\$1,041,222	\$1,570,406	\$2,398,321	\$2,968,339
Net income for the period ..	464,729	53,714	534,766	839,165	572,831	882,901
Goodwill written-off	(114,859)	—	—	—	—	—
Dividends (Note 6)	—	—	—	—	—	(25,135)
Special 15% tax on undistributed income						
Paid by company	—	—	—	—	—	(4,436)
Share of amount paid by affiliate	(5,588)	—	(5,582)	(11,250)	(2,813)	(13,125)
Balance at end of the period	<u>\$987,508</u>	<u>\$1,041,222</u>	<u>\$1,570,406</u>	<u>\$2,398,321</u>	<u>\$2,968,339</u>	<u>\$3,808,544</u>

The accompanying notes are an integral part of these financial statements.

MOFFAT COMMUNICATIONS LIMITED AND SUBSIDIARY COMPANIES

NOTES TO THE CONSOLIDATED AND COMBINED FINANCIAL STATEMENTS

1. Changes in Name and Share Capital

By Certificates of Amendment dated August 7, 1972, the Company's name was changed from Moffat Broadcasting Ltd. to Moffat Communications Limited and its then authorized, issued and outstanding shares were reclassified on a share-for-share basis into an authorized capital of 1,500,000 common shares, of which 1,142,528 were issued and outstanding.

On September 20, 1972, the Company subdivided the 1,142,528 issued common shares into 1,508,136.96 shares, and 8,136.96 shares were surrendered to the Company for cancellation, leaving 1,500,000 common shares issued and outstanding. At the same time the authorized capital was increased to 2,500,000 common shares.

2. Basis of Statement Presentation

(a) The consolidated balance sheet includes the accounts of subsidiaries Bow Valley Broadcasting Co. Ltd. (presently inactive) and MBL Cable Television Ltd., both wholly-owned, and Winnipeg Videon Limited in which the Company has an 80% equity (74.5% voting) interest. Investments in shares of affiliated companies, Channel Seven Television Ltd., 51.923% equity (50% voting), and Radio Station CHED Ltd. and Sibbald Arms Ltd., both 45% owned, are at cost plus equity share of net income less dividends received. The equity interest of 51.923% includes 3.846% acquired as of August 31, 1972 for a cash consideration of \$200,000. The carrying value of the investments exceeds their book values by approximately \$363,000 at August 31, 1972. The excess of \$363,000 referred to above and the excess of cost of shares over net assets of subsidiaries of \$2,682,594 are attributable to various tangible and intangible assets of the subsidiaries and affiliates. No amortization is considered necessary but it is reduced where applicable on the disposal of the relative assets.

(b) The consolidated statement of income includes:

- (i) the accounts of subsidiaries, including Winnipeg Videon Limited from December 31, 1970 when it became a subsidiary and
- (ii) the share of net income of affiliates, including Winnipeg Videon Limited prior to its becoming a subsidiary, on an equity accounting basis.

(c) The combined statement of income is prepared on the same basis as described in Note 2(b) above, except that the accounts of Winnipeg Videon Limited and Channel Seven Television Ltd. are included as if they were partly-owned subsidiaries throughout the period covered by the statement. The Company has entered into an agreement to acquire, subject to approval by the Canadian Radio-Television Commission, all of the shares of Channel Seven Television Ltd. not presently owned by it.

(d) The Company's percentage of equity interest in certain companies changed during the period covered by the statements of income, as follows:

- (i) Winnipeg Videon Limited — 20% to June 30, 1970; 38.75% to December 31, 1970 and 80% thereafter; and
- (ii) Channel Seven Television Ltd. — 48.450% to December 31, 1967, and 48.077% thereafter; a further 3.846% equity interest acquired as of August 31, 1972 has no effect upon the statements of income for the year then ended.

Bow Valley Broadcasting Co. Ltd. was wholly owned throughout; MBL Cable Television Ltd. was 48% owned until becoming wholly-owned on October 1, 1967, the date from which its results have been included; and Radio Station CHED Ltd. and Sibbald Arms Ltd. were 45% owned throughout.

(e) Due to different and/or changes in fiscal year ends the statements of income for fiscal years 1968 and 1969 do not include figures for certain companies for these 12 month periods. Results for the year ended June 30, 1968 include the operations of MBL Cable Television Ltd. for only the nine months then ended and share of net income of Radio Station CHED Ltd. and Sibbald Arms Ltd. for only the eight months ended August 31, 1968.

(f) In order to present comparable figures for 12 month periods the statements of income exclude results for the two months ended August 31, 1968. As shown in the consolidated statement of retained earnings, the net income for this period was \$53,714.

(g) The statements of income include the results of operations of television stations CHAB-TV Moose Jaw and CHRE-TV Regina from October 1, 1967 to September 13, 1969, the date of their disposal. Gross revenues of these stations were as follows: 1968 (9 months only) — \$691,279; 1969 — \$936,508 and 1970 — \$19,616.

(h) All intercompany balances and transactions, including those with Winnipeg Videon Limited and Channel Seven Television Ltd., have been eliminated where appropriate.

3. Deferred Income Taxes

Deferred income tax debits of \$302,414 relate to Winnipeg Videon Limited and represent accumulated tax reductions recorded during years when losses were incurred, less \$209,012 charged to income for the year ended August 31, 1972. It is expected that the entire deferral will be charged to income in the year to end August 31, 1973 and accordingly, it has been included in current assets.

Deferred income tax credits of \$99,459 arose primarily from claiming depreciation for income tax purposes in excess of depreciation charged to operations.

4. Long-Term Debt

Long-term debt, excluding amounts payable to minority shareholders, comprises the following:

	<u>Long-term portion</u>	<u>Current portion</u>
Term bank loan, repayable in annual instalments of \$625,000 through June 1976 (\$400,000 prepaid).....	\$1,875,000	\$225,000
6¾ % notes including accrued interest	2,340,562	391,960
Non-interest bearing note due May 31, 1977	107,601	—
	<u>\$4,323,163</u>	<u>\$616,960</u>

The term bank loan is secured by the Company's Series D debentures issued under a Deed of Trust and Mortgage dated November 1, 1965. Interest is at prime bank rate plus 1% for an effective rate of 7% at August 31, 1972. The Company has undertaken not to dispose of its various investments without the bank's consent.

The 6¾ % notes include principal and interest accrued to August 31, 1972. Instalments on account of principal and interest are payable annually on May 31 as follows: 1973 — \$410,000; 1974 — \$450,000, 1975 — \$550,000; 1976 — \$550,000 and the balance in 1977.

5. Minority Interest

Minority interest in Winnipeg Videon Limited comprises the following:

Debt owing to minority shareholders, due May 31, 1977:

6¾ % notes including accrued interest	\$617,638
Non-interest bearing notes	68,573
	<u>686,211</u>
Share of net capital deficiency	65,614
	<u>\$620,597</u>

6. Dividends

During the year ended August 31, 1972, the Company paid a 15% special tax on undistributed income of \$29,571 and paid a tax-free dividend of \$25,135. Subsequent to the year end, the Company declared a dividend of \$45,000 payable on November 30, 1972, to shareholders of record on November 1, 1972.

7. Depreciation and Amortization Policy

Depreciation and amortization is provided on a straight-line method at rates varying from 5% to 25% after allowing for a 10% residual value except for tools and leasehold improvements which are considered to have no residual value.

8. Lease Agreements

Winnipeg Videon Limited has leased distribution channels from Manitoba Telephone System to May 10, 1979. The total rental for the year ended August 31, 1972 was \$243,500 and is expected to approximate \$270,000 annually throughout the remaining term of the agreement. Other leases held by the Company and its subsidiaries have various terms and presently require annual payments of approximately \$53,000.

9. Extraordinary Item

As of September 13, 1969, MBL Cable Television Ltd. disposed of its interest in television stations CHAB-TV Moose Jaw and CHRE-TV Regina, giving rise to an extraordinary gain of \$1,003,426. Goodwill of \$748,201 arising from consolidation in prior years was offset against this gain, the remaining \$255,225 is included as an extraordinary gain in the year ended August 31, 1970. The gain includes a deferred income tax recovery of \$90,422 less income taxes payable of \$45,552.

The taxation division of the Department of National Revenue has recently questioned the allocation of the proceeds between depreciable assets and goodwill but no re-assessments have been issued. The Company considers its treatment reasonable, has submitted information to the Department and believes its position is adequately supported.

10. Proposed Acquisitions

By agreements dated August 18, 1972, and August 23, 1972 respectively the Company has agreed to purchase (a) the 48.077% equity (50% voting) interest in Channel Seven Television Ltd. presently owned by other shareholders for a cash consideration of \$2,900,000; and (b) the assets and the goodwill as a going concern of Radio Station CHFM-FM in Calgary for a cash consideration of \$79,000.

No effect has been given to either purchase in the accompanying financial statements because both purchases are subject to approval by the Canadian Radio-Television Commission. The Company has arranged for a \$3,000,000 bank loan, payable over four years, to finance these purchases if they are approved.

AUDITORS' REPORT

To the Directors of
Moffat Communications Limited:

We have examined the consolidated balance sheet of Moffat Communications Limited and subsidiary companies as at August 31, 1972, the consolidated and combined statements of income for the year ended June 30, 1968 and the four years ended August 31, 1972, and the consolidated statement of retained earnings for the period from June 30, 1967 to August 31, 1972. Our examination included a general review of the accounting procedures and such tests of accounting records as we considered necessary in the circumstances.

In our opinion the accompanying

(a) consolidated balance sheet presents fairly the financial position of the companies as at August 31, 1972, on the basis explained in Note 2 (a);

(b) consolidated statement of income presents fairly the results of the companies' operations for the year ended June 30, 1968 and the four years ended August 31, 1972, on the basis explained in Note 2 (b);

(c) combined statement of income presents fairly the results of the companies' operations for the year ended June 30, 1968 and the four years ended August 31, 1972, on the basis explained in Note 2 (c); and

(d) consolidated statement of retained earnings presents fairly the changes therein for the period from June 30, 1967 to August 31, 1972,

all in accordance with generally accepted accounting principles applied on a consistent basis.

Winnipeg, Manitoba
October 18, 1972

(Sgd.) DELOITTE, HASKINS & SELLS
Chartered Accountants.

CERTIFICATES

The foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of the Securities Act, 1967 (British Columbia), by Part 7 of The Securities Act (Alberta), by Part VIII of The Securities Act, 1967 (Saskatchewan), by Part VII of The Securities Act (Manitoba), by Part VII of The Securities Act (Ontario), under the Securities Act (Quebec), by Section 13 of the Securities Act (New Brunswick) and by the respective regulations thereunder.

Dated: October 18, 1972.

Chief Executive Officer

(Sgd.) J. R. MITCHELL

President.

Chief Financial Officer

(Sgd.) W. A. DAVIS

Treasurer.

On behalf of the Board of Directors

(Sgd.) JAMES M. PRYOR

Director.

(Sgd.) RANDALL L. MOFFAT

Director.

To the best of our knowledge, information and belief, the foregoing constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by Part VII of the Securities Act, 1967 (British Columbia), by Part 7 of The Securities Act (Alberta), by Part VIII of The Securities Act, 1967 (Saskatchewan), by Part VII of The Securities Act (Manitoba), by Part VII of The Securities Act (Ontario), under the Securities Act (Quebec), by Section 13 of the Securities Act (New Brunswick) and by the respective regulations thereunder.

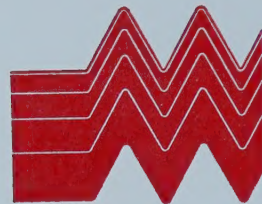
Dated: October 18, 1972.

Pitfield, Mackay, Ross & Company Limited

Per (Sgd.) HUGH H. TURNBULL

Director.

The following includes the name of every person having an interest, either directly or indirectly, to the extent of not less than 5% in the capital of Pitfield, Mackay, Ross & Company Limited: W. C. Pitfield, D. L. Torrey, R. L. Hunter, A. F. MacAllaster, W. Y. Soper, D. C. Mackay and K. A. Wright.



moffat communications limited

**360,000 Common Shares
without nominal or par value**

PROSPECTUS

Dated October 18, 1972



MOFFAT COMMUNICATIONS LIMITED

DECLARATION OF BENEFICIAL OWNERSHIP OF SHARES

To: Moffat Communications Limited,

In connection with the proposed registration of the transfer of
(Number and class of shares)

shares in the capital of Moffat Communications Limited to

..... (the "transferee")
(Name and address of transferee)

the transferee hereby DECLARES:

1. The name of the beneficial owner of the above mentioned shares is:

☐ the transferee, OR

☐ if other than the transferee

If beneficial owner is an individual, complete number 2.

2. Such beneficial owner is a citizen of
(Country)

If beneficial owner is a company, complete number 3.

3. (a) The beneficial owner was incorporated or otherwise constituted under the laws of

.....
(Jurisdiction of incorporation)

(b) The beneficial owner is NOT legally or effectively owned or controlled, directly or indirectly, by or on behalf of citizens or subjects of a country other than Canada, either through the holding of shares in the capital of the beneficial owner or any other corporation, or through the holding of a significant portion of the outstanding debt of the beneficial owner, or in any other manner whatsoever.

DATED the day of, 197 .

.....
(Signature of transferee or other authorized signature)

NOTES:

1. This declaration is to be completed by the transferee in whose name the shares are to be registered. If there is more than one transferee, a separate declaration must be completed by each transferee.
2. Particulars of the restrictions upon the right to register a transfer of shares of Moffat Communications Limited may be obtained from the Secretary of the Company.

